

CASE LAW

COBRA Extensions - Secondary Events and Disability

Poole v. Monmouth College

(Superior Court of New Jersey, 603 A. 2d. 118 (N.J. Super. Ct. Ch. Div. 1991))

Gertrude Poole was granted a medical leave of absence from Monmouth College in New Jersey in 1987. By late 1989, it was determined that Poole was not going to return to work. On January 2, 1990, Poole's contract expired, and tenure was not granted. At that time, Poole was notified of, and elected, COBRA continuation coverage.

Shortly after January 2, Poole applied for Social Security disability benefits. On March 5, 1990, she was determined to have been disabled retroactively to December 29, 1989 (four days before her Qualifying Event date). In August 1990, Poole learned of the disability-extension amendment that had been passed by Congress the previous December, and she requested the 11-month extension of COBRA coverage.

The college refused her request. Poole filed suit. The college defended its denial of the request, asserting:

1. The college did not know of Poole's disability at the time of her termination of employment.
2. Poole did not notify the college of the Social Security disability determination within the 60 days, as required by the statute.
3. Because the college was not aware of the changes in the law when it denied the extensions, its actions were taken out of ignorance, not out of malice.

As for the first defense argument, the court indicated that **it is not necessary for an employer to know of the disability at the time of the Qualifying Event.**

To the second defense, the court ruled that **an employer cannot impose a 60 day notice requirement on a Qualified Beneficiary unless the employer has previously notified the beneficiary of the 60 day reporting period in the COBRA notice.**

The court summarily dismissed argument number three with the old adage that **ignorance of the law is not a viable defense.** More importantly, perhaps, the court also stated that ignorance of the law in a situation like this indicates a **possible breach of fiduciary responsibility under ERISA.**